



RIPTA stands to lose revenue under proposed RIte Care cuts

The governor's plan to reduce health-care spending could cost the transit authority an estimated \$576,000 in lost reimbursements.

01:00 AM EST on Friday, March 3, 2006

BY BRUCE LANDIS
Journal Staff Writer

PROVIDENCE -- A proposal by the Carcieri administration to save money by cutting health-care spending could also double the budget deficit at the Rhode Island Public Transit Authority. RIPTA officials have estimated a \$580,000 deficit in its budget for the fiscal year beginning July 1.

Carcieri's press secretary, Jeff Neal, said the Department of Human Services estimates that the cost to RIPTA in lost reimbursements for carrying RIte Care clients would be \$576,000 for the same fiscal year. Although the loss in revenue from the DHS would roughly double the deficit, it would still be a tiny proportion of the authority's \$86-million budget.

The side effect of the governor's efforts to balance the state budget stems from RIPTA's heavy reliance on revenue from other state agencies, in this case the Department of Human Services, which operates the RIte Care program. RIte Care is a managed-care program for low-income people. Carcieri has proposed saving \$4 million at the DHS next fiscal year by eliminating 3,000 undocumented immigrant children and some adults from the program.

As part of their benefits, RIte Care clients can get free RIPTA bus passes. The Department of Health and Human Services reimburses RIPTA \$44 for each monthly pass. RIPTA gets \$13.3 million per year in reimbursements for providing more than 25,000 free monthly bus passes to RIte Care clients. That makes RIte Care one of RIPTA's biggest revenue sources, amounting to 15 percent of the authority's estimated income for next fiscal year.

Neal said that DHS records show that only 314 of the 3,000 immigrant children who would be cut from the health-care program have bus passes. He said that an estimated 1,415 adults who would also be cut from the program, because of a change in its income eligibility standards, also have bus passes. The governor's RIte Care proposal has drawn fire from advocates for children and the poor, and needs General Assembly approval to go into effect.

blandis@projo.com / (401) 277-7487